STATE OF NORTH CAROLINA
RALEIGH, NORTH CAROLINA 27601

MINUTES
Joint Legislative Oversight Committee on Information Technology

February 2, 2012

The Joint Legislative Oversight Committee on Information Technology met on February 2, 2012 in Room 1027 of the Legislative Building at 1:00 pm. The following members were present: Senator Andrew Brock, Chair, Senator Bob Atwater, Senator Ralph Hise, Senator Buck Newton, Senator Dan Soucek, Representative Marilyn Avila, Representative Larry Bell, Representative Glen Bradley, Representative Bill Cook, Representative Kelly Hastings, Representative Jonathan Jordan, Representative Phil Shepard, and Representative Joe Tolson. Staff Members: Karlynn O'Shaughnessy, Peter Capriglione, Phyllis Picket, Brenda Carter, Grant Brooks, Larry Yates, Bill Patterson and Janet Black.

Chairman Brock called the meeting to order. Opening remarks were made by Senator Brock.

Department of Transportation Division of Motor Vehicles Information Technology Projects – Johanna Reese, Deputy Commissioner, Division of Motor Vehicles and Randy Barnes, Chief Information Officer, Department of Transportation - Attachment - 1.

We have been asked to speak to you on several IT initiatives, one being related to our Vehicle Property System, one being related to our Driver License System and a third one encompassing both of these which is more extensive.

HB1779 VPTC System

Objective: The first bill was signed into law 2005; we have had several revisions most notably some implementation in state delays so the current law will go into effect July 1, 2013. Under this new law DMV and our Contract License Plate Agencies are going to collect Property Tax at the time of Vehicle Registration. The main intent of this is to reduce the amount of uncollected vehicle property tax in the state that the counties have, this will also provide a consistent vehicle valuation across the state and improve the Situs addressing.

Procurement for Property Tax System: The early stages of this project had a number of challenges; most notable in making such a complex procedural change and DMV's existing main frame, vehicle titling and registration system, what we refer to as STARS. With the agreement of all the stake holders we called a halt to the project and redirected it resulting in a decision to build the Vehicle Tax System outside of STARS. It would be a module hosted by the Department of Revenue. We also contracted with the Project Manager and the project has moved a lot more smoothly ever since. We will be including a credit and debit card payment option that will be used in this system. You can pay your titling, vehicle

registration and property tax with a credit card. We are working with counties to develop a standard format to provide their data into the new system.

Current Status: The evaluation team is currently reviewing proposals - we plan on awarding the contract in March. The program staff is working on the Merchant Card System RP and the credit card - debit card system RFP. DOT IT staff is working on programming changes in STARS. We do have to do some limited programming there to enable the billing and payment once property tax is added. We are also working with the counties to put their legacy tax data into the new system, and we are planning surveys to evaluate the physical office environment of the DMV offices, one in Charlotte and one in Raleigh and the Contract Tag Offices to ensure they meet PCI compliance standards.

Project Timeline: We will reward this RFP in April, 2012. Implementing it for testing purposes in late October, and begin full implementation in April 2013. While the legislation requires an implementation date of July 1, we have an April start date because DMV registration renewal notices are mailed out three months in advance and include the property taxes that are due on July 1st - the system needs to be operational by April 1st.

Partnerships: The program has been jointly developed with the Department of Transportation, the Department of Revenue, the Association of County Commissioners and County Tax Assessor input. DMV and DOT IT office is leading the efforts. The tax system is going to be hosted by the Department of Revenue, and the counties are going to continue to be responsible for the tax valuation for the vehicles in their counties.

Benefits: The state's residences will have a single bill instead of two and will have the option of paying with credit card and debit cards. Counties will be able to collect a higher percentage of property taxes on time, instead in some cases waiting to up to a year when someone's vehicle is up for renewal again but cannot renew it because there is a tax lock on it.   Counties will have real time access to data concerning Vehicle Registration and Tax Collection Status.

Next Generation Secure Driver License System

Objective: DMV is in the process of making technical and process upgrades to its Driver License System. The main purpose is an increase in security as the ID component of the driver's license has become just as critical as the driving component which is accepted nationally as your identification card. It is partly to comply with Federal requirements but also to address the problem of identify fraud and an increasingly mobile and tech suave world. We are also including a number of customer service enhancements.

Procurement of Service Provider Vendor: In June 2010 we awarded a Business Objectives RFP with an overall 9 year term - the anticipated value based on the current drivers license is $45.8 M.

Current Status: We have received sign-off from the American Association of Motor Vehicle Administrators on the new card design. The card will have multiple counterfeit prevention features and it will have a black and white 3D picture image of the customer. DMV special recognition function – this is where a new photograph is compared to the customer's historical photographs to make sure it is the same person. As part of our conversion we are cleaning up the old data base.

Contract Issues: We have had significant problems with the vendor that has delayed the project for a year. A stop work order was issued July 12, 2011 and was resolved October 25, 2011. The vendor is in

breach of contract due to disagreement over additional hours - related to interfacing with SADLS. A new Project Manager has taken over and we are very pleased with the actions that have been done. We feel we will have an excellent product in the end.

Project Timeline: The current timeline has us completing development this summer, testing through the late fall and beginning the pilot of this system in December. We will operate in several offices to make sure all components are working properly – get all the bugs worked out and phase the project in several offices a week across the state and completing that implementation by the end of March 2013.

Customer Service Benefits: @Home Portal Pre-Enrollment and Appointment Scheduling – the customer will check wait times, license status, determine documentation needs, schedule appointment, there will be better interaction and responsiveness from DMV customer service and they will have easier access to information related to all DMV services. Improved Customer Conveniences and Services – the customer will receive a secure tamper proof driver license or ID, pay with Credit Card/Debit Card, and for renewal customers, license will be mailed after two days and have electronic signatures.

Efficiency Improvements for DMV: Employees: less data entry, user friendly screens, better decision making tools, real time facial recognition and biometric customer tracking, there will be improved automation between tasks, improved process flow and improved security. Management: there will be better fraud prevention and detection, better auditing, logging and reporting tools, easier access to customer information and dashboard analysis of branch offices.

STARS/SADLS Replacement Project

Objective: Legislative Mandate 2011 Appropriations Act: This legislation directs the DOT to develop a plan and timeline to replace both systems, it authorizes DOT to use statutory sources of funding and bulk data fees, directs it to develop a strategy for additional funding and directs that priority for replacement and funding go to STARS.

Modernize the technology Platform utilized by STARS/SADLS: Reduce operational and maintenance costs, and improve flexibility of systems for enhancements and changes resulting from operational and legislative changes.

Review, Identify and Implement Business Process Improvements: Procurement Phases – this will be done in two phases. The Planning Phase, RFP to procure a vendor with large-scale system planning expertise, develop requirements and technical architecture roadmap to replace STARS and SADLS, identify other DOT and partner interface impacts and identification of business process improvement areas. Implementation Phase – Procure integration vendor to provide, software, business process reengineering, training and deployment assistance.

Current Status: RFP for planning is currently in procurement review, we have contacted other states regarding their input in modernization and the challenge is with DMV business and IT resources needing more staff.

Schedule: We will be posting the RFP this month and awarding it in May. Once the planning process is complete in September we will use the knowledge gained from that to write the implementation RFP then post that second RFP in January and award it in May 2013. We expect to have an implementation schedule next summer.

Benefits: The new systems are going to be easier to operate, update and maintain. It will make interactions with our customers easier with features such as a central customer database, that both of these systems will access and keep the customer data consistent between the Drivers License and the Vehicle Registration Data bases. We will be able to make needed operation changes determined by DMV or by legislative directives. It will be easier to share data within the DMV system and with our external partners and it will greatly reduce our paper use saving money and increasing security.

Questions:

Representative Bradley – With regards to compliance with the Real ID Act are there any safety concerns populating a Federal National Biometric Data Base with every citizen in the United States?

Johanna Reese – When you are talking about a National Data Base you are getting a little beyond my expertise. Randy Barnes – For clarification the data that we have will only be North Carolina Data. No data goes to the Federal Level.

Representative Avila – I have projects coming at me – currently you are working on a program for tax collection – Yes the RFP is presently open as soon as it is awarded it will be implemented – What is the Secure Drivers License replacing? Secure Drivers License is not replacing our system yet it is going to enhance the security of this system. The replacement of the current system is both of these being done at the same time? We are most likely will issue the RFP for both of them but we won't do them both at the same time – they are both huge projects – we are going to start with the Vehicle Registration System first and then move to the Drivers License System.

Follow-up – There is a lot of commonality between the two systems is there anyway you can combine them? I think from the a planning aspect we are planning them together because there is that commonality and once we have that road map how best to tackle it we are going to do a procurement to purchase the end results collectively. The implementation strategy will be based upon which piece is logically to start first. We have been asked to start with the Registration System first, because it cannot be done collectively - the legislation directed us to do STARS first. There will be shared commonalities in both systems.

Senator Brock - Since both project have the same information would there be a cost saving and time delay if they were combined? We are doing the planning and purchasing together - the physical – how you role it out will be staged because you cannot do all that at the same time but it will be one system when we are finished.

Representative Avila – I think my question is in development. You develop both of these systems off of same information how much can you do? – If you do one and turn around and have to repeat a lot of the same information? That is the intent – not to repeat it – we would be doing it together – it is leveraging what we already developed. It is "one" procurement.

Department of Public Safety Information Technology Consolidation – Bob Brinson, Chief Information Officer, Department of Public Safety – Attachment 2.

Background: Merged three agencies: Corrections, Juvenile Justice and Crime Control. The total combined staff is about 25,000. The major functions include: incarceration, community supervision,

Highway Patrol, Emergency Management, Alcohol Law Enforcement and the National Guard. We have a presence in every county in the State. Let me talk to you about the three IT organizations.

Correction IT: Staff is largely a centralized staff. We use some services from ITS mainframe, network services and email. We had a single directory structure – directory is basically the system that locates the resources – it is the traffic director, a single email system and the same computer image. It was the same image for all computer users. Correction had a state wide presence for technicians in about 5 regional areas across the state. The ratio of IT staff to agency staff was relatively low compared to other state agencies.

Juvenile Justice IT: This is a consolidated agency under ITS. Basically ITS provides all of their services, supports their desk top, runs their e-mail system and has their directory structure. That leaves fewer than 20 IT staff remaining. They are business analysts, programmers and run the helpdesk. It is an application helpdesk. This IT staff is centralized and located in Raleigh.

Crime Control IT: They used ITS services in a limited way; mainly the network. They had a small, but very good central IT staff but in Crime Control there is also significant areas of IT resource outside that central staff and that exists in the areas of the Highway Patrol, and Emergency Management. They have two e-mail systems – one for the Agency and one for the Patrol – two directory structures – Agency and Patrol. There is a new data center called the Joint Force HQ and it is located off Blue Ridge Road in Raleigh.

Getting Everyone in Place: We moved about 175 people between December 15 and the first week in January. This task involved the State Property Office, we had a lot of contract vendors in to up fit the space – we moved 175 people into about 5 buildings. When you think about moving this many people you think – furniture, not a problem; phones, not a problem; computers, yes I could put a computer on somebody's desk but can I get it to where they need to be? If you were to walk into another government office and plug in your computer into their wall; that system would not know who you were and you would be denied access. We had to do creative things with the firewalls so we could sit a new person in a new building in 24 hours. We had them recognized by the network, they had e-mail working, they could get to the programs they needed and they were able to get to the places where they stored data on the network. This was accomplished.

Setting up Basic Services: We needed a new domain it is ncdps.gov. We put up that website on the 15th of December. This basic website redirected traffic from three agencies, provided information to the public, and provided staff information on organization, new addresses and new phone numbers. We also moved to common email addressing: first.last@ncdps.gov. Tonight everyone with be using this address.

Challenges: Who supports what PC? Correction supported their own desktop computers. Crime Control supported their own desktop computers. Highway Patrol supported their own desktop computers. Emergency Management supported their own desktop computers. Juvenile Justice is supported by ITS. This gets complicated. You can have a former Juvenile Justice person next to a former Corrections person. One calls one help desk and one calls another help desk. If I send one technician and they both need help that technician only is able to help one of them. We have to work through how are we are going to support this and can we in our current structure leverage our current technicians to share this. We have multiple desktop issues; each of these agencies looks different. We have multiple helpdesks and multiple email systems. The multiple director structures have become critical because

the directory recognizes you on the network - this needs to be worked out. Multiple physical data centers/server rooms, we have a lot of those some good some not so good. We have to look at whether there is an opportunity there, is there a return on investment if we could consolidate to a single place that is truly a data center. We have one that we may look at.

Opportunities: I do think the parts fit together. The following are skill areas in each agency that will benefit the whole agency. Correction and Juvenile Justice has rich data, data mining and smartphone applications. Department of Prisons has video (meetings, surveillance, distance learning and tele-med). Crime Control has IP-based phone systems, and video conferencing. Emergency Management has Long-distance video, incident management technology, and new data center. Highway Patrol has wide-area wireless voice and data.

Questions:

Representative Avila: This is for those of us on the outside, we saw this happen quickly, from a lessons learned standpoint. What kind of initial analysis went into the kinds of problems you ran into in trying to get three IT systems together and working? What did you learn, what did we do and what should not be done? One thing I would say to you is when they came to me after Thanksgiving and said they wanted to do this and make things work in two weeks; I initially said I cannot do this. We decided to get all the network engineers in a room and see what they come up with. After about three hours they said here is how we think we can do this. Given a problem folks can make it work.

Follow-up: My question is how much of this is jury rigged and how much of it is long term? What are we going to have to do to make this a smooth working system and not have people out doing their own thing and have a true consolidation? We are working and it is working pretty well but it is temporary in a number of respects. I am less worried about the e-mail although long term I think there will be an advantage if we can get on one e-mail system if for no other reason than I have got people administrating several I could use those resources better if I was administrating one. The one thing that worries me more is the directory problem. Increasingly organizations use that to help run the business. The phone system that Crime Control has is reliant on knowing where people are so it runs off the directory. The problem is I cannot get someone on a phone system because they are on another directory. This is immersing as the one that we have to address sooner rather than later. I do think it is risky and not cost effective to have those pockets of server rooms at various levels of durability. So if we have the opportunity we really need to get those into a place where we can absolutely say this is protected against a disaster or a problem as we can reasonably make it. We are not there now. Finally, I think the support of the desk tops - that is going to problematic until we work out some unified way of doing that.

Follow-up: What do we need to do to help you? Do you have things in place to do that or are you going to have some requirements that we need to look at in terms of being able to move most efficiently, quickly and physically responsible? I think it is my next job to come back to you with some recommendations, on various aspects and say we really need to do this and either I have got everything I need to do; I do not have any walls or regulations standing in my way and I have got the resources to do it or I think that I need some upfront money to do some work in this area and here is the business case for that; here is the return on investment for that and the one that I am thinking of is that server consolidation.

Representative Cook: Your systems seem to be and should be shared among various departments of state government – What about the counties? It seems to me that there would be some advantage to having collection and policing communication between state and counties integrated as much as possible. Is that part of your goal? Yes we do that in stove pipes right now, referring to Corrections, now for 10 or 15 years we have been sending out information to local law enforcement and we provide a website where local law enforcement can get information on our offenders. We send out information on who is coming out of prison, next week so you can be ready that they are coming back to you. Those conversations are going on. I think my job is going to be to look at that across the spectrum of those conversations and say well we could do that in a more coordinated way.

Follow-up: What are the Federal issues? There is a conversation going on right now. Yes sometimes it is very direct – you must do this – sometimes they come and ask. Yes we share information with Social Security, IRS, ICE, Food Stamps; there is a lot of information going back and forth.

Follow-up: So there is some impetuous to improve communications in terms of IT Facilities? Yes if we could provide an easy central place where folks could come and pick off a menu or at least see here are the possibilities, here is how you do that, here is who you talk to that would make it easier for us.

White Space Deployment – Leslie Chaney, Information Technology Director, New Hanover County – Attachment 3.

I am very happy to be here is Raleigh to tell you about an exciting new Technology. I preface my comments by saying, I am not an Engineer I am a user technology person so I may not have any detail but I can get that information for you. You will see that this technology will quickly come on to your radar as an IT Oversight Committee as something useful to State Government. To give you a little background New Hanover County and the city of Wilmington was the first community in the nation to switch from analog to digital CV signals back in 2008. When that switch was flipped peoples minds started thinking about what to do with the remaining broadcast spectrum. New Hanover County, the city of Wilmington and some private partners that grew out of our studios got together and started brain storming – What are the possibilities here?, What are some of the things that we might realize from what they call the digital dividend?

What are the White spaces? White spaces quite simply are the unused channels in the traditional TV Bands – UHF and VHF and transition to digital television provided additional space. A challenge to using this space is that those frequencies are different in every geographic location based on who the broadcasters are in that area. So if you think about the home router you use that is also unlicensed you can purchase one of those at the Wal-Mart in Wilmington that will work in Raleigh that will work in California because that spectrum is constant across the United States. A White Spaces Radio has to zero in where there is no WRAL or WTVD broadcasting because we are next to them – so to speak, where we are using the similar spectrum to them. So the FCC has named several companies as data base administrators who are going to keep a record of who is licensed to broadcast in what geographic area. To give you an idea in Wilmington we do not have a lot of Broadcast TV consequently we have a lot of this digital dividend in Wilmington. We have 23 - 6 MHz available channels. The availability of White Spaces on Jones Street in Raleigh is only 6 channels.

What is so great about it? What makes it better? We have got home WiFi people doing WiFi everyday now, what is so different about the White Spaces or the TV Bands? They are lower frequencies. The

White Spaces go through trees and walls, they travel longer distances and they are abundant in rural areas.

New Hanover County Installations: Last Thursday we were granted the only license in the nation by the FCC to run networks on these White Spaces. These are our installations: Airlie Gardens, no trees were cut, did not want things on poles, the beauty of the park was maintained. On the top of a small building we placed a device that looks like a small TV antenna. At the front gate which is ¼ of a mile away we have a similar antenna and a camera on a light pole. This is ¼ mile though the trees no line of sight. White Spaces is the transport between the camera and the building.   This allows observation and surveillance is the park. Hugh MacRae Park we have some vandalism we are planning for public wireless and video surveillance.   We are also working on Veterans' Park with video surveillance and public wireless.

Costs: So far New Hanover County's contribution has been in kind help for our private partners. The technology is still in its infancy so the equipment is very new – there is no mass production of radios. The costs will come down as standards are set and demand increases. The White Spaces technology will be put into computers and phones. In rural areas people could get a home device. We in New Hanover Count are renting the infrastructure as a service from TV Band Services.

Future Applications: Water quality monitoring – one of our proof of concept tests was to take a water quality sensor out into one of our tidal creeks. We had a friendly citizen who allowed us to put it off the end of his dock and we hooked it up with a Fire Station – which was about 1 ½ miles as the crows fly – we put up an antenna on a short light pole at the Fire Station – we were able to retrieve in real time data off of that water quality sensor onto our county network. Remote lighting control - our Parks Director will tell you the biggest expense he has in his budget is electricity – soccer fields, baseball fields, etc.   He wanted the ability to see if the soccer practice is over and remotely turns off the lights.   Most of the lighting systems now have remote capabilities. We are also looking at a replacement for some of our high-cost, low speed links. Mobile command post – emergency operation – public safety is looking at this and there is a lot of discussion in the use of TV bands in New Hanover County. When mobile commend posts are set up we need data connectivity. In Public Safety there is discussion going on – remember these are unlicensed – Public Safety and unlicensed sometimes do not come together. There are talks about can we license some of this for Public Safety? They may reserve two channels for Public Safety. This is very exciting and we were very happy to be the first in the county to use this new technology.

Questions:

Senator Newton – The White Space that you acquired did you get a license for it? No – the great thing about them is that they are unlicensed. So they are like your home routers, they are open for anybody to use.

Follow-up: Is there a risk over time that that spectrum will get crowded or is there going to be a time when it needs to be licensed?   There will be some markets where you will not be able use this technology because it is already crowded. New York City White Spaces are all X out.

Senator Soucek – You are in a geography flat area. Senator Hise and I represent the mountains the White Space would not only be going through trees and buildings but mountains? I do know that waves do bend, not being an engineer, you would get better propagation than what you get from what you

have now but to the other side of the mountain probably not. A lot of it would depend where you place your antenna.

Representative Avila – I was interested in your earlier slide where you have cameras in public places and I know there has been discussion in a lot of the areas regarding the privacy allowed in public places issues did that ever come up in your discussions? We have; and our management and our board have had discussions around this. We do let people know this area is being monitored, and the public seem to be split on that. Our board decided that they would rather be able to protect the public asset.

Senator Brock – I used to work for a company along time ago that dealt with radio waves and seeing this technology and what it can do for rural North Carolina, our mountains and flood plains to reach most of these people through White Space will be of benefit. So I think that expanding internet access into rural North Carolina this is probably one of our best bets because it is just too cost prohibitive to do fiber optic cable to a number of our areas.

Business Intelligence: Karlynn O'Shaughnessy, Fiscal Research Division, North Carolina General Assembly and Phyllis Pickett, Bill Drafting Division, North Carolina General Assembly – Attachment 4, 5 and 6.

Karlynn O'Shaughnessy : I have been asked to talk to you about Business Intelligence. This is an area that has gotten more and more attention in the General Assemble this Session. The Government Efficiencies LRC is looking at this as a topic. One of the things the General Assembly is trying to do this year is to channel anything IT related through IT Oversight so that there is one committee looking over everything IT related instead of having bits and pieces in various committees and nobody knows what the big picture looks like.

What Business Intelligence is? If you talk about intelligence, in general, it is always very important to differentiate between information and intelligence. When you are talking about intelligence you are talking about taking raw data and actually first determining what it is you need, what it is you are going to collect and actually collecting that and then it goes through an analytical process where you take all of this information from sources and try to figure out how the pieces fit together and try to come up with actual what we would call in the intelligence world – actionable intelligence that you could then use. Once you have completed this analysis it is disseminated to the users and then what they have to do is actually provide feed back to you. Disseminating what they actually were required to perform - whatever function it is that they need to perform and if it is not then of course you have to go back and adjust. Business Intelligence is similar but it is used specifically/initially in the business world and it is made up of a number of related activities that you probably have heard referred to before most of those are self explanatory. Data mining involves summarizing the relationships between the various pieces of data in order to arrive at a conclusion. On line analytical processing is looking at different types of relationships and figuring out how they all fit together. The bottom line is you are taking different information from a variety of sources and trying to build the information you need in order to perform your job better. Please see Levels of Business Intelligence on page 2. The idea of having some kind of Business Intelligence Capability is not new to North Carolina. In 2007 the General Assembly established BEACON Data Integration – it required the Office of the State Controller and the State Chief Information Officer to develop a Strategic Implementation Plan for the integration of databases and sharing of information among State agencies and programs – it established BEACON Project Steering Committee for governance and appropriated $5 million from Information Technology Fund for SFY 2007-2008. The next year the Office of the State Controller was instructed to then begin implementation of BEACON

Strategic Plan for Data Integration. Additionally they were suppose to set up a Business Intelligence Competency Center, staff it and engage a vendor to begin the process of implementing an enterprise level data integration effort. An additional $5 million was provided from the Information Technology Fund for data integration. Also in 2008 a determination was made that there was a need for all of the various Criminal Justice and Law Enforcement Data Bases to be able to talk to each other. The Office of the State Controller was directed to implement a pilot program for Wake County. One of the interesting things the legislation specifically required the full cooperation of the participating agencies and early on in the process this was a little bit of a challenge. CJLEADS finally worked out. Funding of $5 million was provided. In 2009 there was a direction that the Data Integration efforts continue but the priorities should be Criminal Justice Data Integration Pilot Program (CJLEADS Program). CJLEADS continued development – they were told to start planning for the statewide expansion that has now occurred. This program was given priority funding. Moving on to 2010 the focus shifted almost exclusively to CJLEADS. At that point the decision was made to move CJLEADS to the Department of Justice that was subsequently changed because Data Integration was bigger than one particular function such as law enforcement.   In 2011 there was requirement for the plan for the transfer - there was a review conducted and the recommendation was to leave it in the Office of the State Controller.   Also in 2011 the General Assembly decided to expand Data Integration efforts in the State; one of the things that they specifically directed was that there is a program developed to detect fraud, waste and improper payments. This included allowing an $8 million, two-year contract and there was also an interesting caveat added to this special provision that required the state to share in any intellectual property or residuals resulting from vendor sales to third parties that might come out of this particular effort.

Current Status: The overall data integration effort is managed by the Office of the State Controller. The two major projects that are ongoing are CJLEADS and NC FACTS and are being hosted by the vendor. There is a Data Integration Steering Committee that has six members, chaired by the State Controller and also has four advisory members.

Applications: There are also individual agencies that have developed applications that are currently in use. One of the interesting ones is an effort that UNC General Administration has underway is they have brought in a vendor and this particular vendor is looking at the data collected from procurements on three campuses not just their a-procurement system but also their credit card information and other procurements. It takes that data and analyses it and determines if they are getting the best deal for the users of credit cards, for example or the purchasers are following all the procedures that they are suppose to be following. It can also detect anomalies in the system and determine if there are any issues.

Next Steps: There are also a number of projects going on. I mentioned the two large projects CJLEADS and NC FACTS. There are also a number of other issues going on throughout various agencies with various vendors. One of the more interesting ones is being conducted by the Department of Public Instruction. They actually have set up a system where they are working on being able to track all of their IT projects and they are going to overlay a business intelligence capability so that they can pull all of the data that they need to actually track, monitor and subsequently manage what is going on in each individual project and cross lock them.

Where do we go from here: Some things the Committee might want to consider are establishing an enterprise-level over all Business Intelligence Programs – identify an agency that actually will have the prime responsibly for that and define the requirements for the program and also figure out the end state; and where the program needs to be when you have a fully functional operation. As part of that it

would be important to look at existing projects and see where there is duplication and where there are particular projects that might fit in to whatever this agency's overall effort leads. Additionally the Committee may want to look at reviewing the current governance structure that exists for Data Integration and possibly either incorporating that or establishing a governance structure for an overall Enterprise Business Intelligence effort. It is important that any governance structure allows the responsible agency appropriate authority so that they are able to accomplish everything that they are asked by the General Assembly. In the private sector it is the best practice to establish a Government Business Intelligence Competency Center. It would also be important to inventory what we have now, identify redundancies, figure out what you can incorporate, and also looking at redirecting funding. Another thing is identifying your resources and also identifying technologies that are out there and ensuring that the state is informed of the full range of resources that might be available. Encouraging participation is absolutely critical. Another issue is managing security there has got to be adequate protection for all this information.

Form: It is important to coordinate the efforts of various committees that are looking at this issue. The LRC Efficiencies in State Government Committee has been looking at this and that is why it is being presented to the Joint Legislative Oversight Committee on Information Technology. You might want to consider including recommendations in your committee report and then there is a possibility that you might want to develop a bill and/or special provision to actually support the establishment of this program and also ensure that there is funding for it.

Questions:

Senator Newton – CJLEAD and NC FACTS does the State own these systems? The State owns the systems; the State does not own the licenses for the software.

Representative Avila – The two systems you talk about are examples of where we are heading – that right now is a lot of very sensitive information about our citizens. What kind of security do we have and is it what we are going to build on? That is something that is of increasing concern – it is something that the Controller's Office has addressed and it is something that needs to be worked on. That will be included in what Phyllis is going to report to the committee.

Phyllis Pickett: Under Senator Hise' direction staff has put together a Draft Bill which is really just to give you a sense of what a bill might look like. Senator Hise has been very helpful and I would ask him to address the committee at this time. Senator Hise – I think what we need to recognize in this bill and others is we need to get to the point where all of our data systems across the state can communicate with each other across all agencies. You cannot detect problems in Medicaid without also knowing employment information. There are a lot of areas going into this process – hopefully we want to get to the point where our use of data when preparing a Budget - we will not have to go to fourteen different areas to put the pieces together – that we have a system that can communicate with all our silos across the state – we are looking at security – there will be no big brother – there still will be human contact – and this will lead to better programs, better college attendance, etc. etc. that is my overview.
Phyllis Pickett: I am going to work you through the summary of the bill. Please see attachment 5 and 6.

Attachment 5 – Draft Bill Explanation: Smarter Gov/Business Intelligence Initiative

Attachment 6 – Bill Draft 2011-LR-110B – Smarter Gov/Business Intelligence Initiative

Senator Brock: Representative Tolson this is following your lead over the years in this field. This is looking at how to apply good business principles to some things we do here in State Government. Knowing what our different agencies are doing and looking at this, we have the technology available for us to take this information, to compile the data and to compare it to see what we need to make the changes. We have the technology now.

Representative Avila: My question is referred to Senator Hise – Do you have a rough idea of the timing for each of these segments? Senator Hise – Overall the timeline is difficult – one of the biggest things we have all heard for years is the fact that Education does not have a unique common identifier across Education this is a huge barrier from an IT perspective. Once that unique identifier exists it will be a fairly simple integration.   The same will exist in all other state agencies. The Criminal Justice System – CJLEADS – is looking into this - NCFACTS is looking at comparing others and bringing others on line – this is probability a two to three year process that would put everything under a common dataset. There are a myriad of State and Federal existing rules that we will have to request waivers from Federal regulations and change State regulations. I am confident we can get there. One central system would have greater security. Once this is accomplished the sky is the limit.

Follow-up: To what extent are we going to get the cooperation - so much of the success is going to be people signing in and seeing the value of it – Do we have examples that we can show? – Is CJLEADS the shinning example of it? - Do you think that will be sufficient? Senator Hise – I think when agencies realize what the impact will be for their individual agency – they are willing to participate.

Phyllis Pickett: As savings are achieved because of the Government Business Intelligence Initiative – the money from that is suppose to stay in the Office of State Controller and with GBICC to be used to assist with other needs. So in theory this would generate income because it would slow down the rate of spending.

Senator Brock: I thank Senator Hise – the ground that was cleared over the years and CJLEADS is our shinning example. We need to put our minds together and start working together on issues rather than defending silos and wondering about certain agencies for the people of North Carolina. Senator Hise is right ,once the agencies realize how efficient their program will run and how much better it will be, these agencies want to join and it is not that we were forcing people. We told them this is what we have - they are coming back saying how can we help? Whether the Bill comes through here or probably through Senator Hise committee we will be looking for it very soon.   As North Carolina grows in population if we do not get a handle on this now in getting a dataset we are going to be behind the eight ball in the next few years. Please let Peter know or somebody on staff know how you are using your tablets, how it is working; how it is working across the state, when you go back home in your different areas, the data transmission is doing. We need to have positive comments and negative comments about it.

The meeting was adjourned at 3:00 pm.

Respectfully submitted,

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Senator Andrew Brock   Janet Black
Chairman   Committee Assistant